



Annual Direct Loan Conference



Session # 50

Electronic P-Note: School's Perspective



San Diego State University



San Diego State University

- Student Population Approx. 30,000
- Year Two Direct Loan School
- Mainframe Financial Aid System
- 21,772 LOR Records Created for 99/00
- One Direct Loan Coordinator



Current Direct Loan Process

- Master Promissory Notes (MPNs) are sent with award notifications
- LOR is not created until MPN is received from student
- MPN ID is stored until LOR is created



NEW Process with the E-Signature

- Award notifications and “loan information” sheet
- No paper Master Promissory Notes will be included in award notification
- Award notification will list student’s current Direct Loan eligibility



Loan Information Sheet

- Gives students two options:
 - First option - encourages student to complete MPN through the E-Note Web site
 - Second option - gives student information to request a paper MPN through SDSU's AidLink web site



The E-MPN Choice

- Access E-Note Web site
- List SDSU school code
- Must complete the entire E-note process successfully



Successful Completion

- LOC confirms the execution of the P-Note with the student
 - If a valid e-mail address was keyed in, an e-mail will be sent to the student
 - E-mail does not imply loan has been given
 - Insert SDSU text (text is taken from school profile record)
 - SDSU text will insert AidLink web site
 - P-Note acknowledgement will be sent to SDSU



SDSU Process for Receiving eMPN

- Import eMPN acknowledgements
- Create LO records for eligible students
- Send notification to ineligible students
- Send LO records to the LOC
- Disburse money to eligible students



University of Minnesota



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■ Twin Cities Campus

- Fall 2000 enrollment - 45,000
 - Undergraduates - 27,000
 - Graduates - 10,500
 - Professionals -2600
 - Non-degree/part-time students



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■ Twin Cities Campus

– Loan Volume 1999 - 2000

- Subsidized/Unsub \$102 Million - 28,000 loans
- PLUS \$18 Million - 3000 loans
- Perkins, Health Profession Loans, University Loans



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- Reasons we went into Direct Lending
 - User friendly process/One stop shopping
 - Less complex for students and staff
 - University controls the process
 - Loans are not sold
 - All funds through electronic process



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■ Web Culture

- 95 % of students register on the Web
- 2700 admissions applications on the Web
- 100% of freshman housing applications
- Students view student account and grades
- Financial aid information beginning March 16



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■ Paperless Financial Aid Office

- Increased access: Better informed student
 - Information available at students' convenience
 - Reduces the visits to our Student Service Center
 - Staff time reserved for special circumstances
- Timeliness: Instant delivery
 - Eliminates wrong addresses/handling delays
 - Eliminates invalid P-Notes (whiteout,pencil)



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- Paperless Financial Aid Office
 - Meets expectations of students
 - Eliminates handling of paper
 - Reduces costs associated with printing and mailing P-Notes



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- Direct Loan Processing - Current process
 - Student completes FAFSA
 - Student is packaged and Financial Aid Award Notification is mailed to the student
 - Student accepts or declines direct loans
 - Loan accepted on system, loan originates and P-Note produces, if needed



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- Direct Loan Processing - Current process
 - If MPN already on file, loan pays to account
 - If MPN is needed, the MPN is produced and mailed to the student
 - Once MPN is returned to financial aid, it is posted to system and pays to account, manifest sent to LOC



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- Direct Loan Processing - Current process
 - Send origination/change/disbursement files daily
 - Receive acknowledgement files daily
 - PLUS P-Notes are sent to student/parent, once completed, post to system, send manifest, origination record, wait for credit approval, pay to account



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- Direct Loan Processing-Paperless process
 - Student completes FAFSA on the Web
 - Student is packaged and E-mail is sent to the student telling them to go to the Financial Aid Award Notification on the web
 - Student accepts or declines direct loans on their Web Financial Aid Award Notification
 - When the loan is accepted the origination record is sent to the LOC



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- Direct Loan Processing-Paperless process
 - If MPN already on file, loan pays to account (our system checks for previous MPN)
 - If MPN is needed, an E-mail will be sent to the student with information on how to complete their E-Note on the LO Web site. (Only loans with a valid LO record will be able to complete an E-Note)



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- Direct Loan Processing-Paperless process
 - Send origination/change/disbursement files daily
 - Receive acknowledgement files from LOC daily. The P-Note acknowledgement file will contain the E-Note acceptance, we will load file into our system and pay to student account



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- Direct Loan Processing-Paperless process
 - If the student comes into our Student Service Center and has not completed the E-Note, the student can complete it using the computers in our lobby
 - Once the student completes the Web E-Note staff will verify the MPN is on file by checking the LO On-line system



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- Direct Loan Processing-Paperless process
 - Once verified, staff will be able to update our computer system manually if the student needs their money immediately, and then it will pay to the student account
 - Or the acknowledgement file will come in and the funds will pay to the student account
 - The paper MPN will be available upon request



Questions?



Thank you

Don't forget to complete your evaluation forms!!